

**COLORADO MEDICAL MARIJUANA ENFORCEMENT DIVISION
RULES
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General Background Information:

Article 43.3 of Title 12 of the Colorado Revised Statutes (House Bill 10-1284) went into effect on July 1, 2010. Known as the Colorado Medical Marijuana Code (“Code”), the Code gives the State Medical Marijuana Licensing Authority the ability to promulgate rules necessary for the proper regulation and control of the cultivation, manufacture, distribution, and sale of medical marijuana and the enforcement of the Code. In addition, section 12-43.3-202(2)(a)(I), C.R.S., allows the State Licensing Authority to promulgate rules for compliance with and enforcement of any provision of the Code and section 12-43.3-202(2)(a)(XX), C.R.S., allows the state licensing authority to address such other matters as are necessary for the fair, impartial, stringent, and comprehensive administration of the Code.

When the General Assembly implemented the Code, it sought to create a *vertically integrated* closed-loop commercial medical marijuana regulatory scheme by: (1) the formation of a dual licensing system with a local option opt-out provision; (2) the establishment of suitability standards for ownership and employment based on Colorado residency and a determination of good moral character; (3) the promulgation of a set of minimum security, surveillance, and reporting rules; and (4) requirements aimed at ensuring public safety, facilitating full operational transparency, and eliminating illicit diversion of marijuana.

During the period of August 27, 2010 through December 15, 2010, the Medical Marijuana Enforcement Division (“Division” or “MMED”) consulted with interested parties from the medical marijuana industry, the legal profession, and local and state government to draft the proposed rules and ensure adequate oversight and regulation of the medical marijuana industry. In addition, in January, 2011, the State Licensing Authority conducted a public rulemaking in accordance with the requirements of section 24-4-103, C.R.S., of the Administrative Procedure Act, and allowed all interested persons the opportunity to submit their views and opinions regarding the rules.

Definitions – The following definitions of terms, in addition to those set forth in section 12-43.3-104, C.R.S., shall apply to all rules and regulations promulgated pursuant to Article 43.3 of Title 12, of the Colorado Revised Statutes, unless the context otherwise requires:

Clone – refers to a nonflowering medical marijuana plant that is no taller than eight (8) inches and no wider than eight (8) inches that is in a growing container that is no larger than two (2) inches wide and two (2) inches tall that is sealed on the sides and bottom, although the seal on the bottom may contain ventilation or drainage holes.

Code – refers to the Colorado Medical Marijuana Code found at sections 12-43.3-101 *et seq.* C.R.S.

Division – refers to the Medical Marijuana Enforcement Division.

Division Director – refers to the Director of the Medical Marijuana Enforcement Division.

MMC – acronym for Medical Marijuana Center.

MMED – acronym for the Medical Marijuana Enforcement Division.

MIP – acronym for Medical Marijuana Infused Product.

OPC – acronym for Optional Premises Cultivation Operation.

State Licensing Authority – See section 12-43.3-201(1), C.R.S.

CHAPTER 1
--- General Rules and Regulations ---

100's --- Compliance

Regulation 1.001 - Severability. *[Effective: 7/01/11]*

If any portion of the rules adopted in March, 2011, and effective on July 1, 2011, is found to be invalid, the remaining portion of the rules shall remain in force and effect.

1.100 - Engaging in Business. *[Effective: 7/01/11]*

No person shall engage in the business of cultivating, possessing, selling, or offering to sell medical marijuana unless said person is duly licensed by the state and relevant local licensing authorities.

1.105 - Optional Premises Cultivation License – Prohibited Activity.
[Effective: 7/01/11]

Any person licensed pursuant to section 12-43.3-404, C.R.S., with an OPC license, shall use 100% of the medical marijuana it cultivates for only those purposes described in section 12-43.3-104(9), C.R.S., and it shall be unlawful to sell, give away or transfer any of the marijuana that it cultivates in any other form, substance or matter to any person.

1.110 - Infused Products Contracts. *[Effective: 7/01/11]*

Any contract required pursuant to section 12-43.3-404(3), C.R.S., shall contain such minimum requirements as to form and substance as approved by the MMED. These minimum statutory requirements will be posted on the MMED website.

1.115 - Interference with Officers. *[Effective: 7/01/11]*

No licensee or person shall by force or threat of force, including any letter or other communication threatening such force, endeavor to intimidate, obstruct or impede investigators of the MMED, their supervisors, or any peace officers from exercising their duties. The term "threat of force" includes, but is not limited to, the threat of bodily harm to the officer or to a member of his/her family.

1.120 - Duty to Report Offenses. *[Effective: 7/01/11]*

Any person licensed pursuant to the Code, and any associated or key persons to a licensee, or any occupational licensee must make written notification to the Division of any criminal conviction and criminal charge pending against such person within ten days of such person's arrest, summons, or conviction. This notification requirement shall not apply to non-felony traffic violations unless the violations result in suspension or revocation of a driver's license, the violations are based on allegations of driving under the influence or impairment of intoxicating liquor or drugs, or result in the person being taken into custody. Failure to make proper notification to the Division may be grounds for a disciplinary action.

200's --- Enforcement

1.200 - Registration of a Primary Center. *[Effective: 7/01/11]*

A Center licensed pursuant to section 12-43.3-402, C.R.S., shall not allow a patient to register the Center as a Primary Center if the patient has previously designated another Center as its Primary Center at anytime during the past one-hundred twenty (120) days. Should a patient desire to designate a new Primary Center after the one-hundred twenty (120) days timeframe, the patient must advise the new Primary Center of the number of plants being cultivated at its former Primary Center and the new Primary Center must validate that any existing plants at the former Primary Center have been assigned to new patients at that Center or that all plants previously assigned to the patient have matured and been cultivated and harvested. The new Primary Center shall also maintain written authorization from the patient and any relative plant count waivers to support the number of plants designated for that patient and shall report the assignment by a patient of its Primary Center to MMED within seventy-two (72) hours.

1.205 – Medical Marijuana Center Inventory – Definition, How Determined & Approved Handling Procedures. *[Effective: 7/01/11]*

- A. "Inventory" - shall be measured by common weights and measures and consist of both:
1. Plant count within a licensee's OPC and MMC which shall not exceed six (6) plants per patient designated to the MMC including marijuana clones placed in a growing medium; and
 2. The total weight of all packaged or bulk *Cannabis* such as but not limited to flowers, kief, leaf, shake, concentrates, and oils not subject

to section 12-43.3-104 (9), C.R.S., located on the licensed premises of a MMC, not to exceed two (2) ounces per primary center patient.

B. Notwithstanding the requirements of subsection (A) of this section to the contrary, a licensee may, in the case of a patient authorized to possess more than six (6) plants and two (2) ounces, possess such additional medical marijuana as provided by section 12-43.3-901(4)(e), C.R.S.

C. Inventory Determination.

1. All plants of the genus *Cannabis*, including marijuana clones placed in a growing medium, in possession of a licensee while at an OPC facility and MMC shall be considered plant inventory.
2. Propagation includes but is not limited to the reproduction of *Cannabis* plants by seeds, cuttings or grafting in a designated limited access area only of an OPC facility that is monitored by one or more surveillance cameras as required by rule. The propagation space shall be clearly identified by signage designated by the MMED and all marijuana located in the propagation space shall be accounted for as inventory. Propagation shall only be allowed upon an OPCL licensed premises.
3. Vegetation is the sporophytic state of the *Cannabis* plant which is a form of asexual reproduction in plants during which plants do not produce resin or flowers and are bulking up to a desired production size for flowering in a designated limited access area monitored by one or more surveillance cameras as provided by rule. The vegetation space shall be clearly identified by signage designated by the MMED and all marijuana located in the vegetation space within a limited access area of an OPC facility shall be accounted for as inventory. Vegetation may only occur within a limited access area upon the licensed premises of an OPC facility.
4. Flowering is the gametophytic or reproductive state of *Cannabis* in which the plant is in a designated flowering space that is a limited access area monitored by one or more surveillance cameras within an OPC facility with a light cycle intended to produce flowers, trichomes and cannabinoids characteristic of medical marijuana. The flowering space shall be clearly identified by signage designated by the MMED and all marijuana shall be accounted for as inventory. Flowering plants may only be possessed within a limited access area of a licensed OPC facility.
5. Throughout the propagation and vegetation phases, an OPC licensee shall tag and maintain a true and accurate accounting of all non-

flowering *Cannabis* plants including those destroyed or transferred to the MMC for sale. All accounting reports shall be made available to the State Licensing Authority, or other local authority, on demand.

- D. Once harvested, tagged medical marijuana plants shall be combined in batches for tracking through the entire manufacturing process with the tags for each medical marijuana plant accompanying each batch at each stage of manufacture. Each batch will be identified by listing the identifying markers from the individual plants from the designated flowering area and a data collection point will occur in which the batch will be weighed, duly recorded and clearly identified within sight of a video camera and the “wet” weight of buds, stems and leaf duly recorded as unprocessed product, wholesale byproduct, and waste. The identifying markers associated with each batch shall be prominently displayed on drying racks or wires and curing containers throughout the manufacturing process.
- E. “Processed” as used in this rule shall mean the final dried, finished and useable marijuana product having been sifted and sorted to remove plant waste, stems, and/or seeds and other byproducts prepared for final packaging and transport to the licensed center as permitted in law.
- F. Prior to packaging, the processed medical marijuana plants shall be weighed before transfer to the MMC or MIPs, and the weight of unfinished product, wholesale byproduct and waste as a data collection point recorded. Processed marijuana shall be immediately packaged, sealed, weighed and stored in an approved secure transportation container for transport to the licensed premises of the MMC. Medical marijuana packaging shall be in sealed containers/packaging with tamper-proof bands.
- G. All medical marijuana shall be weighed in a limited access area of an OPC facility monitored by one or more cameras before and after packaging to determine product weight and total package weight and tagged with both weights before being transported to the MMC.
- H. For inventory purposes, all inventory packaged and stored in an approved secure transportation container shall be accounted for as inventory of the MMC.
- I. Processed medical marijuana plants shall be packaged in units of one pound or less and tagged with the total weight of the packaged product and securely sealed in a tamper-proof manner. The packages will be transported to the MMC within forty-eight (48) hours and recorded as inventory at the receiving MMC.

- J. Packaged medical marijuana shall be weighed, logged out, and transported directly from the OPC facility to the MMC's licensed premises in a secure fashion and out of plain sight.
- K. Transport will be made by an individual licensed by the State Licensing Authority and as authorized pursuant to these rules.
- L. On arrival at the licensed center, all packages containing medical marijuana shall be re-weighed within eight (8) hours in a limited access area of the MMC and monitored by one or more cameras and logged in to the licensed MMC's on hand inventory.
- M. If medical marijuana product is intended for wholesale distribution to another licensed MMC licensed premises, it shall be weighed in a limited access area of the center and monitored by one or more cameras as provided in rule and logged out of the originating center for pickup and transport to the receiving licensed center or MIP as authorized by law.
- N. Licensed facilities, as it relates to inventory control and tagging, shall follow procedures, tag type and inventory controls as set forth by the MMED.

1.210 – Medical Marijuana Center Inventory Purchase and Sale Restrictions (30% Rule). [Effective: 7/01/11]

During the hours established in section 12-43.3-901 (4) (I), C.R.S., medical marijuana manufactured by a medical marijuana center licensee within its licensed OPC facility, may be sold to other licensed MMCs or licensed MIP facilities, only under the following conditions:

- A. Pursuant to section 12-43.3-402 (4), C.R.S., a MMC may purchase not more than thirty percent (30%) of its total on-hand medical marijuana inventory from another licensed medical marijuana center in Colorado. A medical marijuana center may sell no more than thirty percent (30%) of its total on-hand medical marijuana inventory to another Colorado medical marijuana licensee.
- B. Total on-hand inventory as used in section 12-43.3-402(4), C.R.S., shall only include medical marijuana grown on the MMC's identically licensed OPC premises, which has been "processed" as defined in Regulation 1.205.E and the total amount or quantity has been accounted for in the licensed MMC's inventory during the previous calendar year, or in the case of a newly licensed business, its first 12 months of business.

- C. A MMC licensee may also contract for the manufacture of marijuana infused products with MIP licensees utilizing a contract as provided for in Regulation 1.110. Medical marijuana distributed to a MIPs licensee by a MMC licensee pursuant to such a contract for use solely in product(s) that are returned to the contracting MMC shall not be included for purposes of determining compliance with subsection A.
- D. All parties to the buying and selling transactions shall verify the license status of the other licensee(s).
- E. It shall be a violation for any MMC to sell or purchase more than thirty percent (30%) of its total on-hand inventory as defined in subsection (B) of this regulation, during any calendar year, or in the case of a newly licensed business, its first 12 months of business.

300's --- Violations

1.300 - Complaints Against licensees - Suspension and Revocation of Licensees. [Effective: 7/01/11]

- A. Whenever a written complaint is filed with the licensing authority, charging any licensee with a violation of the Code, the rules promulgated pursuant to the Code, or an order of a state or local licensing authority, the licensing authority shall determine by investigation or otherwise the probable truth of such charges.
- B. If the licensing authority has probable cause to believe that a licensee has violated the Code, the rules promulgated pursuant to the Code, or an order of a state or local licensing authority, the licensing authority shall issue and cause to be served upon such licensee a notice of hearing and order to show cause why its license should not be suspended or revoked or otherwise subject to disciplinary action.
- C. A hearing shall be held at a place and time designated by the licensing authority on the day stated in the notice, or upon such other day as may be set for good cause shown. Evidence in support of the charges shall be given first, followed by cross-examination of those testifying thereto. The licensee, in person or by counsel, shall then be permitted to give evidence in defense and in explanation, and shall then be allowed to give evidence and statements in mitigation of the charges. In the event the licensee is found to have committed the violation charged or any other violation, evidence and statements in aggravation of the offense shall also be permitted.

- D. If the evidence presented at the hearing does not support the charges stated in the notice and order served upon the licensee, but standing alone establishes that the licensee has engaged in a different violation of the Code, the rules promulgated pursuant to the Code, or an order of a state or local licensing authority, the licensee shall be permitted to give evidence and statement in defense, explanation and mitigation if then prepared to do so. If such evidence is not then available, but can be obtained by the licensee, the licensee shall state the substance thereof and upon his request the hearing may be recessed for not more than ten (10) days, and shall then continue under the same procedure as through no recess had occurred.
- E. In the event the licensee is found not to have violated the Code, any rule promulgated pursuant to the Code, or any order of a state or local licensing authority, the charges will be dismissed. If the licensee is found to have violated the Code, any rule promulgated pursuant to the Code, or any order of a state or local licensing authority, his license may be suspended or revoked or otherwise subject to disciplinary action.
- F. Every MMC licensee or MIP licensee whose license has been suspended by any licensing authority shall, if ordered by the licensing authority, post two notices in conspicuous places, one on the exterior and one on the interior of its premises, for the duration of the suspension. The notices shall be two feet in length and fourteen inches in width containing lettering not less 1/2" in height, and shall be in the following form:

**NOTICE OF SUSPENSION
MEDICAL MARIJUANA LICENSES ISSUED
FOR THESE PREMISES HAVE BEEN
SUSPENDED BY ORDER OF THE STATE OR LOCAL LICENSING
AUTHORITY FOR VIOLATION OF THE COLORADO MEDICAL
MARIJUANA CODE**

Advertising or posting signs to the effect that the premises have been closed or business suspended for any reason other than by order of the licensing authority suspending the medical marijuana license, shall be deemed a violation of this rule.

- G. During any period of active license suspension, when such suspension has not otherwise been stayed by the licensing authority through the payment of a fine pursuant to section 12-43.3-601(3) through (7), C.R.S., the MMC licensee shall not permit the selling, serving, giving away, distribution or possession of medical marijuana on the licensed premises.
- H. A MMC may maintain its on hand inventory and care for its OPC area during a period of suspension unless a licensing authority has revoked its license or has otherwise ordered. However, no medical marijuana shall be removed

from the licensed premises at any time during a suspension except for purpose of destruction with the permission of the licensing authority.

- I. A MIP licensee may maintain its infused products or other butters, oil, or tinctures on the licensed premises during any period of suspension unless a licensing authority has revoked its license or has ordered otherwise. However, no medical marijuana in any form shall be sold, exchanged, given away or removed from the licensed premises during a suspension except for purpose of destruction with the permission of the licensing authority.

1.305 - Temporary-Summary Suspension of Licenses. [Effective: 7/01/11]

- A. Where the licensing authority has objective and reasonable grounds to believe and finds, after a full investigation, that a licensee has been guilty of a deliberate and willful violation of any applicable law or regulation or that the public health, safety or welfare imperatively requires emergency action and incorporates such findings in its order, it may temporarily or summarily suspend the license pending proceedings for suspension or revocation which shall be promptly instituted and determined.
- B. During any period of active temporary suspension, unless otherwise ordered by a licensing authority, the licensee shall be allowed to maintain and care for its licensed OPC, its MIP facility and any related on premises inventory, but the licensee shall not be allowed to sell, transfer, exchange or remove any of its inventory from the licensed premises except for purpose of destruction with the permission of the licensing authority.
- C. Every MMC licensee or MIP licensee whose license has been suspended by any licensing authority shall, if ordered by the licensing authority, post two notices in conspicuous places, one on the exterior and one on the interior of its premises, for the duration of the suspension. The notices shall be two feet in length and fourteen inches in width containing lettering not less 1/2" in height, and shall be in the following form:

**NOTICE OF SUSPENSION
MEDICAL MARIJUANA LICENSES ISSUED
FOR THESE PREMISES HAVE BEEN
SUSPENDED BY ORDER OF THE STATE OR LOCAL LICENSING
AUTHORITY FOR VIOLATION OF THE COLORADO MEDICAL
MARIJUANA CODE**

Advertising or posting signs to the effect that the premises have been closed or business suspended for any reason other than by order of the licensing authority suspending the medical marijuana license, shall be deemed a violation of this rule.

1.310 - Declaratory Orders Concerning the Colorado Medical Marijuana Code. *[Effective: 7/01/11]*

- A. Any person, municipality, county, or city and county, may petition the MMED for a statement of position concerning the applicability to the petitioner of any provision of the Code, or any regulation of the State Licensing Authority. The Division shall respond with a written statement of position within thirty (30) days of receiving such petition.
- B. Any person who has petitioned the Division for a statement of position and who is dissatisfied with the statement of position or who has not received a response within thirty (30) days, may petition the State Licensing Authority for a declaratory order pursuant to section 24-4-105(11), C.R.S. Any petitioner who has not received a statement of position within thirty (30) days may petition the State Licensing Authority at any time thereafter. Such petition shall set forth the following:
 - 1. The name and address of the petitioner, whether the petitioner is licensed pursuant to the Code and if so, the type of license and address of the licensed premises.
 - 2. The statute, rule or order to which the petition relates.
 - 3. A concise statement of all of the facts necessary to show the nature of the controversy or the uncertainty as to the applicability to the petitioner of the statute, rule or order to which the petition relates.
 - 4. A concise statement of the legal authorities, if any, and such other reasons upon which petitioner relies.
 - 5. A concise statement of the declaratory order sought by the petitioner.
- C. The State Licensing Authority will determine, in its discretion without prior notice to the petitioner, whether to entertain any petition. If the State Licensing Authority decides it will not entertain a petition, it shall promptly notify the petitioner in writing of its decision and the reasons for that decision. Any of the following grounds may be sufficient reason to refuse to entertain a petition:

1. The petitioner has failed to petition the Division for a statement of position, or if a statement of position has been issued, the petition for declaratory order was filed with the State Licensing Authority more than thirty (30) days after issuance of the statement of position.
 2. A ruling on the petition will not terminate the controversy nor remove uncertainties concerning the applicability to petitioner of the statute, rule or order in question.
 3. The petition involves a subject, question or issue which is currently involved in a pending hearing before the state or any local licensing authority, or which is involved in an on-going investigation conducted by the Division or which is involved in a written complaint previously filed with the State Licensing Authority.
 4. The petition seeks a ruling on a moot or hypothetical question.
 5. Petitioner has some other adequate legal remedy, other than an action for declaratory relief pursuant to Colo R. Civ. Pro. 57, which will terminate the controversy or remove any uncertainty concerning applicability of the statute, rule or order.
- D. If the State Licensing Authority determines that it will entertain the petition for declaratory order, it shall notify the petitioner within thirty (30) days, and the following procedures shall apply:
1. The State Licensing Authority may expedite the hearing, where the interests of the petitioner will not be substantially prejudiced thereby, by ruling on the basis of the facts and legal authority presented in the petition, or by requesting the petitioner or the Division to submit additional evidence and legal argument in writing.
 2. In the event the State Licensing Authority determines that an evidentiary hearing or legal argument is necessary to a ruling on the petition, a hearing shall be conducted in conformance with section 24-4-105, C.R.S.
 3. In ruling on a petition, the State Licensing Authority may take administrative notice of general, technical or scientific facts within its knowledge, so long as the fact is specified in the record or is brought to the attention of the parties before final decision and every party is afforded an opportunity to controvert the fact so noticed.
 4. Every declaratory order shall be promptly decided and issued in writing, specifying the basis in fact and law for the order.

5. The parties to any proceeding pursuant to this rule shall be the petitioner and the Division. Any other interested person may seek leave of the State Licensing Authority to intervene in the proceeding and such leave may be granted if the licensing authority determines that such intervention will make unnecessary a separate petition for declaratory order by the interested person.
 6. The declaratory order shall constitute agency action subject to judicial review pursuant to section 24-4-106, C.R.S.
- E. A copy of any petition for a statement of position to the Division and of any petition for a declaratory order to the State Licensing Authority shall be mailed, on the same day that the petition is filed with the Division or authority, to the individual county or municipality within which the petitioner's licensed premises, or premises proposed to be licensed, are located. Any petition filed with the Division or authority shall contain a certification that the mailing requirements of this paragraph have been met.
 - F. Files of all petitions, requests, statements of position, and declaratory orders will be maintained by the Division. Except with respect to any material required by law to be kept confidential, such files shall be available for public inspection.
 - G. The Division shall post a copy of all statements of positions or declaratory orders constituting final agency action on the Division's web site.

CHAPTER 2
--- Duties of Officers and Employees of the State Licensing Authority ---

100's --- Investigators and Medical Marijuana Supervisors

2.100 - Investigators and Medical Marijuana Supervisors – Powers and Authority. *[Effective: 7/01/11]*

The investigators of the MMED and their supervisors, while actually engaged in performing their duties and while acting under proper orders or regulations, shall have and exercise all the powers vested in peace officers of this state and shall enforce all laws of the state of Colorado.

CHAPTER 3
--- Instructions for Local Licensing Authorities
and Law Enforcement Officers ---

---RESERVED---

CHAPTER 4

--- Inspections, Investigations, and Searches and Seizures ---

100's --- Inspections (RESERVED)

200's --- Investigations (RESERVED)

300's --- Searches and Seizures (RESERVED)

CHAPTER 5
--- Range of Penalties ---

100's --- General Provisions

5.100 – Penalty Schedule, with suggested aggravating and mitigating factors. [Effective: 7/01/11]

<u>Code Violation:</u>	<u>Suspension/Abeyance</u>	<u>Fine Okay?</u>
1. Sale to nonqualified persons.		
First offense – 1 count	30 & 15	Fine Okay
Second offense within 1 year:	Go to Hearing	

Note: Criminal charges should also be filed and upon conviction of a drug related felony the license must also be revoked.

Mitigation: 1st offense wherein the patient has been a regular and the licensee was shown prior identification and/or management was not involved. Patient registry card shown and had just expired.

Aggravation: No identification or registry card presented or checked and/or management involved.

2. Sale after Hours.

First offense	Written Warning - 10 days	Fine Okay
Second offense	10 & 20	
Third Offense	Go to Hearing	

Mitigation: 1st offense occurring in close proximity to lawful business hours, i.e., 7:05 PM ; management was not involved with the sale made to the patron. Single, isolated offense

Aggravation: Management participated in or endorsed sale after the lawful hours; violation occurred well after the lawful hours, i.e., 3:00 AM; there were multiple offenses.

3. Failure to meet the 70/30 requirement.

1st offense	Written warning – 10 days	Fine Okay
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	4 months to correct	
Second offense in 1 year	20/10 4 months to correct	Fine Okay
Subsequent offenses	Go to hearing	

Mitigation: An audit reveals evidence of consistent compliance, grow was lost and sales reflect that licensee is generally very close to the 70/30 requirement. No prior violations; licensee has not been licensed for an extended period of time. Licensee is close to percentage requirement, but acquires marijuana from other licensed sources due to loss of grow.

Aggravation: Audit reveals little or no evidence of compliance. Licensee doesn't have a functioning grow; Licensee relies solely on purchases from external sources; multiple violations present.

4. **Purchase of Marijuana from Unlicensed Sources.**

First offense	Go to Hearing
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License should be revoked immediately as these violations are generally indicative of the presence of other criminal activity.

5. **Unlawful Consumption/Medication on the Licensed Premises.**

First offense	5 & 10	Fine Okay
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Second offense	Abeyance Time & up to 30 days
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Third Offense	Go to Hearing
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Mitigation: 1st offense involving termination of the employee and management not directly involved.

Aggravation: Multiple offenses, long term investigation disclosing a pattern of violations and/or other criminal activity, management involved or aware of activity.

6. **Failure to Maintain adequate Books and Records.**

First offense	Written warning - 10 days	Fine Okay
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Second offense	15 & 15
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10. Hidden Ownership – Unlawful Financial Interest.

First offense 30 days to transfer or to Hearing

Mitigation: Change of entity involving same owners, i.e., partnership between a husband and wife, who incorporate. License must be transferred to the new entity (Corporation). Issue Notice of Proposed Denial (“N.O.P.D”) on new entity resulting in suspension with fine or 3 days. (3 day suspension) Fine OK.

Aggravation: True hidden ownership involving transfer of business assets to an unrelated 3rd party; ownership creates prohibited financial interest; business continues to operate. Show Cause should be issued for current Licensee. N.O.P.D. should be issued for new owner. If severe aggravation exists (Licensee fails to respond to allegations and take responsibility for business or new owner fails to comply and seek its own license/temporary permit), recommend revocation of current license and denial of new owners license.

11. Failure to meet sanitary standards.

First offense 5-10 Fine OK

Second offense 20 & 10

Third offense To Hearing

Mitigation: Minor offense, management not involved. Issue resolved immediately.

Aggravation: On-going violations, health safety issues identified. Multiple patients filing complaints and being harmed by contaminants; management involved.

12. Failure to properly display credentials.

First offense Warning -10 Fine OK

Second Offense 10 & 20 + Abeyance time

Third offense To Hearing

Mitigation: Person held valid license and forgot to display it. Management takes immediate action or detected violation and self reported. All medical marijuana properly accounted for.

Aggravation: Multiple offenses or multiple persons involved. Unlicensed persons present and/or management involvement or awareness. Medical marijuana inventory cannot be properly accounted for.

CHAPTER 6
--- Unfair and Prohibited Practices ---

100's --- Advertising Practices

6.100 - Medical Marijuana Center Sales. *[Effective: 7/01/11]*

A. Advertising Practices.

1. No MMC licensee shall display upon or in proximity to, or referring to the licensed premises, use, publish or exhibit, or permit to be used, or published, any sign, advertisement, display, notice, symbol or other device which are inconsistent with the local laws and regulations in which the licensee operates.
2. No MMC licensee shall display upon or in proximity to, or referring to the licensed premises, use, publish or exhibit, or permit to be used, or published, any sign, advertisement, display, notice, symbol or other device which uses misleading, deceptive, or false advertising.

CHAPTER 7
--- Informational and Product Displays ---

--- RESERVED ---

CHAPTER 8
--- Identification Card and Background Checks ---

100's --- General Provisions

8.100 - Occupational Licenses Required. *[Effective: 7/01/11]*

- A. A person shall not be employed or under contract by a licensee to perform any work, employment or any other task for the licensed business, without first applying for and successfully obtaining a valid license issued by the Division.
1. The following occupational license categories shall apply:
 - a. Key - persons performing duties that are key to the operations and have the highest level of responsibility (example in this category would be a manager or bookkeeper);
 - b. Support - persons performing duties that support the operations of the licensee and while they have a responsibility to conduct themselves professionally, they have limited decision making authority and routinely fall under the supervision of a Key Employee (example in this category may be a sales clerk or cook); and
 - c. Registration - businesses or persons performing other practices or duties in or for the operations of the licensee and while they have a responsibility to conduct themselves professionally, they have no decision making authority for the licensee and always fall under the supervision of a Key Employee (example in this category may be a laboratory or security system contractor).
 2. The Director of the Division shall establish appropriate sub-categories within each occupational (license) category to reflect the nature of the activity to be performed.
 3. Persons required to be licensed shall submit a completed application on forms furnished by the Division, accompanied by the fee set by the licensing authority and shall obtain approval prior to commencement of activities permitted by such license.
 4. This rule shall not apply to any person employed or contracted to perform activities not directly related to the possession, cultivation, dispensing, selling, serving, delivering or giving of marijuana as permitted by law. By way of example, employment or contracts for

services such as advertising, legal, or emergency HVAC shall be exempt from licensure pursuant to this rule.

- B. Applicants for initial licensure and all renewal applicants shall be fingerprinted. Applicants shall also be fingerprinted if for any reason they have been asked by the Division to submit a new application. These reasons may include, but are not limited to, someone reapplying after more than one (1) year has elapsed since the expiration of the most recent license, if someone has been denied or revoked by an action of the State Licensing Authority or Division, or when additional information may be needed to proceed with a background investigation.
- C. Any applicant for a license may be required to establish his/her identity and age by the presentation of a certified birth certificate and other valid identification containing a photograph as required for a determination of lawful presence.
- D. All application forms supplied by the Division and filed by an applicant for license shall be accessible by local and state licensing authorities and any law enforcement agent.
- E. It is the duty of each licensee to promptly advise the Division in writing of any change in their current mailing address with 10 days of any change.
- F. Every licensee and its supervisors shall be responsible for insuring that every employee or contractor is licensed with the Division .
- G. Within three (3) business days, licensees shall report any criminal actions, rule violations or other suspicious acts involving the sale, cultivation, distribution or manufacturing of medical marijuana or any medical marijuana infused products by any person to the Division or Division Representative and shall cooperate in subsequent investigations. If an employee or contractor is discharged for alleged violations of the law or these regulations, the employer shall make every effort to insure that any employee or other persons so discharged surrender their license(s) as required by section 12-43.3-310(3), C.R.S.
- H. All licenses shall remain the property of the State Licensing Authority and shall be returned to the Division upon demand of the State Licensing Authority, the Division, or its agents.

CHAPTER 9
--- State Licensees ---

100's --- General Disclosure Requirements

9.100 - Unlawful Financial Assistance. *[Effective: 7/01/11]*

- A. Each license must be held by the owner of the licensed establishment.
"Owner" means the person or persons whose proprietary interest is such that they bear risk of loss other than as an insurer, and have opportunity to gain profit from the operation or sale of the establishment.

In determining who is the owner, elements considered in addition to risk of loss and opportunity for profit include: (1) possession; (2) who controls the license; (3) who guarantees the establishment's debts or production levels; (4) who is beneficiary under the establishment's insurance policies; and (5) who acknowledges liability for the business' federal, state, or local taxes.

- B. Owners may hire managers, and managers may be compensated on the basis of profits made, gross or net. A MMC, OPC or MIP license may not be held in the name of the manager.
- C. A spouse of a licensee may hold a license in his or her own right if he or she is the owner of the licensed establishment, regardless of whether the spouses file separate or joint income tax returns.
- D. A partnership interest, limited or general, a joint venture interest, ownership of a share or shares in a corporation or a limited liability company which is licensed, or having a secured interest in furniture, fixtures, equipment or inventory constitutes ownership and a direct financial interest. Each individual with this type of ownership or direct financial interest must have an appropriate license.
- E. Any person who guarantees production levels, yields, quantities produced or any other obligations of the licensee or its operation shall be deemed to have a financial interest.

9.105 - Transfer of Ownership and Changes in Licensed Entities.

[Effective: 7/01/11]

- A. As it relates to Corporations and limited liability companies;
1. If the applicant for any license pursuant to the Code is a corporation or limited liability company, it shall submit with the application the names, addresses, and Key/Associated persons background forms of all of its

principal officers, directors, or Managers, and a copy of its articles of incorporation or articles of organization; and evidence of its authorization to do business within this State. In addition, each applicant shall submit the names, addresses and Key/Associated person's background forms of all persons owning any of the outstanding or issued capital stock, or of any persons holding a membership interest.

2. Any proposed transfer of capital stock or any change in principal officers or directors of any corporation holding a license under the provisions of the Code shall be reported to the respective licensing authorities prior to such transfer or change. With the report, the licensee shall submit the names, addresses, and Key/Associated person's background forms for any new officer, director, or stockholder acquiring any outstanding capital stock.
3. Any proposed transfer of membership interest or any change in managers of any limited liability company holding a license shall be reported to the respective licensing authorities prior to such transfer or change. With the report, the licensee shall submit the names, addresses, and Key/Associated person's background forms for any new manager, or member acquiring a membership interest.

B. As it pertains to Partnerships;

1. If the applicant for any license pursuant to the Code is a general partnership, limited partnership, limited liability partnership, or limited liability limited partnership, it shall submit with the application the names, addresses, and Key/Associated persons background forms of all of its partners and a copy of its partnership agreement
2. Any proposed transfer of partnership interest or any change in general or managing partners of any partnership holding a license shall be reported to the respective licensing authorities prior to such transfer or change. With the report, the licensee shall submit the names, addresses, and Key/Associated person's background forms for any new partner, or any other partner acquiring a partnership interest.

C. As it relates to Entity Conversions;

1. Any licensee that qualifies for an entity conversion pursuant to sections 7-90-201, C.R.S., et. seq., shall not be required to file a transfer of ownership application pursuant to section 12-43.3-309, C.R.S., upon statutory conversion, but shall submit a report containing suitable evidence of its intent to convert at least thirty (30) days prior to such conversion. Such evidence shall include, but not be limited to, any conversion documents or agreements for conversion at least ten (10) days prior to the date of recognition of conversion by the Colorado Secretary of State. In addition, prior to the date of the conversion, the licensee shall submit the names, addresses, and

Key/Associated persons background forms of any new officers, directors, managers, general or managing partners, and all persons having an ownership interest.

- D. All reports required by this regulation shall be made on forms supplied by the Department of Revenue, Medical Marijuana Enforcement Division.
- E. No application for a transfer of ownership may be received or acted upon by either the state or local licensing authority if the previous licensee has surrendered its license and had it canceled by either local or state authority prior to the submission of the transfer application. In cases where cancellation has occurred prior to the submission of a transfer of ownership application, the license applicant shall follow the procedures for a new license application pursuant to section 12-43.3-305, C.R.S.
- F. No change shall be effective as it pertains to any licensee, until and unless the proposed transfer of ownership has been approved by the appropriate local and state licensing authorities.

CHAPTER 10
--- Security Requirements ---

100's --- General Provisions

10.100 - Limited Access Areas. *[Effective: 7/01/11]*

- A. All limited access areas must be identified by the posting of a sign which shall be a minimum of 12" X 12" which shall state in the English language "Do Not Enter - Limited Access Area – Access limited to Licensed owners, employees and contractors only" in lettering no smaller than ½ inch in height.
- B. All limited access areas shall be clearly described by the filing of a diagram of the licensed premises reflecting walls, partitions, counters and all areas of ingress and egress. Said diagram shall also reflect all propagation, vegetation, flowering, hashish manufacturing and all retail sales areas.
- C. Notwithstanding the requirements of subsection A of this regulation, nothing shall prohibit members of the state or local licensing authorities or law enforcement from entering a limited access area.

10.105 - Display of License Required–Limited Access Area.

[Effective: 7/01/11]

All persons in a limited access area as provided for in section 12-43.3-105, C.R.S., shall be required to hold and properly display a current validated license badge issued by the Division at all times while in any limited access areas. Failure of any person to properly display such a license badge may constitute grounds for discipline. Proper display of the license badge shall consist of wearing the badge plainly visible at or above the waist, with the photo of the licensee readily visible to any observer. The licensee shall not alter, obscure, damage, or deface the badge, including the photographic image of the licensee, and any information contained or represented thereon, in any way.

All outside vendors, contractors or visitors must obtain a visitor identification badge, prior to entering a restricted or secure area, from a key licensee and shall be escorted at all times by that representative of the facility except as set forth and unless otherwise authorized by the Division Director. The visitor identification badge must be visibly displayed at all times while the visitor is in any limited access area. All visitors must be logged in and out, and that log shall be available for inspection by Division personnel at all times. All visitor identification badges shall be returned to the issuing facility upon exiting the limited access area.

200's --- Alarm Systems

10.200 - Security Alarm Systems-Minimum Requirements. [Effective: 7/01/11]

A. Definitions.

1. **Alarm Administrator** means the Director of the MMED or his designee charged with recording the details of the Security Alarm Systems and approved Alarm Installation Companies and Monitoring Companies.
2. **Alarm Installation Company** means a Person in the business of selling, providing, maintaining, servicing, repairing, altering, replacing, moving or installing a Security Alarm System in an Alarm Site.
3. **Security Alarm System** means a device or series of devices, including, but not limited to, hardwired systems and systems interconnected with a radio frequency method such as cellular or private radio signals, which emit or transmit a remote or local audible, visual or electronic signal indicating an alarm condition and is intended to summon law enforcement response.
4. **Alarm User** means any Person, who has contracted for Monitoring, repair, installation or maintenance service from an Alarm Installation Company or Monitoring Company for a Security Alarm System, or who owns or operates a Security Alarm System which is not monitored, maintained or repaired under contract.
5. **Arming Station** means a device that allows control of a Security Alarm System.
6. **Automatic Voice Dialer** means any electrical, electronic, mechanical, or other device capable of being programmed to send a prerecorded voice message, when activated, over a telephone line, radio or other communication system, to a law enforcement, public safety or emergency services agency requesting dispatch.
7. **Duress Alarm** means a silent Security Alarm System signal generated by the entry of a designated code into an Arming Station in order to signal that the Alarm User is being forced to turn off the system.
8. **Holdup Alarm** means a silent alarm signal generated by the manual activation of a device intended to signal a robbery in progress.

9. **License** means a license issued by the State of Colorado or local government to an Alarm Installation Company or Monitoring Company to sell, install, monitor, repair, or replace Security Alarm Systems.
10. **Local Security Alarm System** means any Security Alarm System, which is not monitored, that annunciates an alarm only at the Alarm Site.
11. **Monitoring** means the process by which a Monitoring Company receives signals from a Security Alarm System and relays an Alarm Dispatch Request to a law enforcement agency for the purpose of summoning an officer to the Alarm Site.
12. **Monitoring Company** means a Person in the business of providing Monitoring services at a central monitoring station 24 hours a day.
13. **One Plus Duress Alarm** means the manual activation of a silent alarm signal by entering at an Arming Station a code that adds one to the last digit of the normal arm/disarm code (e.g., normal code = 1234, One Plus Duress Code = 1235)
14. **Panic Alarm** means an audible Security Alarm System signal generated by the manual activation of a device intended to signal a life threatening or emergency situation requiring a deputy's response.
15. **Person** means an individual, corporation, partnership, association, organization or similar entity.
16. **Zones** means division of devices into which a Security Alarm System is divided to indicate the general location from which a Security Alarm System signal is transmitted.

B. Duties of the Alarm User and Alarm Installation Companies.

1. At a minimum, each licensed medical marijuana premises must have a closed-circuit Security Alarm System on all perimeter entry points and perimeter windows installed by an Alarm Installation Company and monitored by a Monitoring Company. Motion detectors, pressure switches, Duress, Panic and Hold Up Alarms may also be utilized.
2. The Alarm User will report the location of each Security Alarm System, the Alarm Installation Company and the Monitoring Company to the Alarm Administrator.

3. All Security Alarm Systems installed by any Alarm Installation Company shall conform to the Alarm User's applicable local code, rule or ordinance regarding installation, repair, alteration, maintenance and programming of Security Alarm Systems.
4. An Alarm User shall:
 - a. maintain the Alarm Site and the Security Alarm System in a manner that will minimize or eliminate False Alarms;
 - b. make every reasonable effort to have a Responder to the Security Alarm System's location within 30 minutes when requested by the law enforcement agency in order to:
 - (1) deactivate a Security Alarm System;
 - (2) provide access to the Alarm Site; and/or
 - (3) provide alternative security for the Alarm Site.
 - c. not activate a Security Alarm System for any reason other than an occurrence of an event that the Security Alarm System was intended to report.
5. An Alarm User shall adjust the mechanism or cause the mechanism to be adjusted so that an alarm signal audible on the exterior of an Alarm Site will sound for no longer than ten (10) minutes after being activated.
6. An Alarm User shall have an Alarm Installation Company inspect the Security Alarm System after two (2) False Alarms in a one (1) year period. The Alarm Administrator may waive a required inspection if it determines that a False Alarm(s) could not have been related to a defect or malfunction in the Security Alarm System. After four (4) False Alarms within a one (1) year period, the Alarm User must have an Alarm Installation Company modify the Security Alarm System to be more false alarm resistant or provide additional user training.
7. An Alarm User shall maintain at each Alarm Site, a set of written operating instructions for each Security Alarm System.
8. An Alarm User will report all false and real alarms to the Alarm Administrator.

C. License or licensing.

All Alarm Installation Companies and Monitoring Companies shall maintain a License, if required by the State of Colorado or local licensing authority.

D. Duties and Authority of the Alarm Administrator.

1. The Alarm Administrator shall:

- a. approve Alarm Installation Companies and Monitoring Companies prior to them being utilized by the Alarm User.
- b. maintain a record of all Alarm Users, Alarm Sites, their Installation Company and Monitoring Company.
- c. maintain date and time records of false alarms and work with the Alarm user and the Alarm Installation Company to minimize false alarms.

E. Confidentiality.

Unless otherwise provided by law, all records maintained by the Alarm Administrator shall be held in confidence by all employees or representatives of the MMED.

300's --- Lock Standards

10.300 - Lock Standards in Medical Marijuana Licensed Premises – Minimum Requirements. [Effective: 7/01/11]

Commercial-grade II, non-residential locks are required at all point of ingress/egress, as well as the surveillance room or area which is defined at Regulation 10.400.B.2.p.

400's --- Video Surveillance

10.400 - Specifications for Video Surveillance and Recording of Medical Marijuana Licensed Premises – Minimum Requirements. [Effective: 7/01/11]

A. STATEMENT OF PURPOSE.

This regulation outlines the functional and performance requirements for a complete video surveillance and recording system within all medical marijuana licensed premises as deemed necessary to ensure control by the State of Colorado. This specification includes image acquisition, video recording, management and monitoring hardware and support systems.

Submission of all system information, system layout, and remote access information must be submitted to the MMED using an “MMED Secure Facility submission/Application Form.” All systems shall be subject to the approval of MMED.

B. SURVEILLANCE SYSTEM STANDARDS.

1. GENERAL.

- a. Surveillance system standards apply to all licensed categories in section 12-43.3-401, C.R.S., in which medical marijuana is possessed, stored, grown, harvested, cultivated, cured, sold, or where laboratory analysis is performed.
- b. Licensees with limited access areas as defined in the Code shall be required to install a video surveillance and camera recording system that is fully digital and meets the requirements outlined in this section by July 1, 2011.
- c. All surveillance systems and camera coverage areas must be physically inspected for compliance and receive approval from the MMED prior to being utilized. After the initial approval, the licensee and the MMED shall approve all modifications to any approved cameras prior to any changes.
- d. All personnel installing, cleaning, maintaining and repairing surveillance equipment on site must be licensed by the State Licensing Authority.
- e. Time is to be measured in accordance with the official United States time established by the National Institute of Standards and Technology and the U.S. Naval Observatory at <http://www.time.gov/timezone.cgi?Mountain/d/-7/java>.
- f. Licensees are responsible for ensuring all surveillance equipment is properly functioning and the playback quality meets MMED requirements
- g. The licensee must have all documentation, approvals, and variances, or copies thereof, relating to surveillance, kept in a locked room or locked secure area, and all documentation, approvals, and variances, or copies thereof shall be available to the MMED upon request. No cultivation operations shall occur within this room or secure area which may damage the system due to high temperature or humidity conditions.
- h. Wireless connections for cameras that use wireless G or N protocol (2.4 gigahertz minimum) are allowed. The MMED may approve others that contain the same or higher security encryption protocol.

2. DEFINITIONS.

- a. Blue-ray Disc – a high-density optical disc format for the storage of digital media, including high-definition video.
- b. CIF – Common Interface Format - defines a frame rate of 30000/1001 (roughly 29.97) in NTSC format.
- c. Critical areas - include all limited access areas, points of ingress/egress and all active and inactive point of sale areas.
- d. DVI – digital visual interface. DVI is a video interface standard designed to maximize the visual quality of digital display devices such as flat panel LCD computer displays and digital projectors.
- e. DVR – digital video recorder. See ‘MMED Approved DVR/NVR List.’
- f. Fields – one field is defined as half of one frame. See ‘MMED Approved DVR/NVR List.’
- g. Fixed Cameras – a fixed camera which once installed and approved by the MMED, cannot be moved or modified to change the angle or field of view. FPS – frame rate or frame frequency per second. FPS is the measurement of the frequency (rate) at which an imaging device produces unique consecutive images called frames. Each frame consists of two fields.
- h. FPS – frame rate or frame frequency per second. FPS is the measurement of the frequency (rate) at which an imaging device produces unique consecutive images called frames. Each frame consists of two fields.
- i. IP – Internet Protocol – network-layer (Layer 3) protocol that contains addressing information and some control information that enables a remote network connection.
- j. MMED approved standards and approved DVR/NVR list – Document provided by the Medical Marijuana Enforcement Division to licensees and licensed security providers, to give examples of required camera views, angles and clarity. Additionally, the MMED shall provide a list of approved DVR/NVR recorders that meet the minimum standards as set forth in this rule.

- k. Megapixel camera – a camera capable of capturing an image containing at least 1 million pixels.
- l. NVR - Network Video Recorder
- m. PTZ - pan-tilt-zoom camera; or PT - pan-tilt camera.
- n. Port – port number to be used in conjunction with the IP address for remote connectivity.
- o. Size of monitor – the display area measured diagonally and excludes the cabinet.
- p. Surveillance Room/Area - Secure area away from unlicensed personnel where video recording equipment is installed and operated. DVR/NVR shall be housed in a secure locked box.
- q. TVL – total video lines of resolution.

3. SPECIFIC STANDARDS.

Fixed position or remote video cameras will be network accessible using MMED Approved DVR/NVR software or be IP in design and shall meet or exceed the following minimum specifications:

	Analog Cameras		
	Interior Fixed	Exterior Fixed	Pan Tilt / Pan Tilt Zoom
Min Resolution	480TVL	480TVL	480TVL
Image Sensor	1/3" CCD	1/3" CCD	1/4" CCD
Min. Illumination	.1 Lux	.01 Lux	.1 Lux
Auto Gain Control	Yes	Yes	Yes
Auto White Balance	Yes	Yes	Yes
Power Req.	12V DC/ 24V AC	12V DC/ 24V AC	12V DC/ 24V AC
Day/Night Required	Yes	Yes	No
Illumination Distance	20 ft	40 ft	
Zoom Factor			10 Times (PTZ Only)

Auto Focus			Yes
Housing Rating	Dependant on Location	IP67	IP66
Heater/Blower		Optional	Optional

	IP Cameras		
	Interior Fixed	Exterior Fixed	Pan Tilt / Pan Tilt Zoom
Min Resolution	640 X 480	640 X 480	640 X 480
Image Sensor	1/3" CCD	1/3" CCD	1/4" CCD
Video Compression	H.264	H.264	H.264
Frame Rate	30fps	30fps	30fps
Min. Illumination	.1 Lux	.01 Lux	.1 Lux
Auto Gain Control	Yes	Yes	Yes
Auto White Balance	Yes	Yes	Yes
Power Req.	12V DC/ 24V AC / POE	12V DC/ 24V AC / POE	12V DC/ 24V AC / POE
Day/Night Required	Yes	Yes	No
Radiant Distance	20 ft	40 ft	
Zoom Factor		N/A	10 Times (PTZ Only)
Auto Focus		N/A	Yes
Housing Rating	Dependant on Location	IP67	IP66
Heater/Blower		Optional	Optional

4. EQUIPMENT.

- a. All new and replacement cameras for critical areas and the PTZ cameras within those areas must meet minimum requirements as set forth in Specific Standards, section 3 above.
- b. Megapixel cameras are allowed, as long as the camera interfaces with the licensee's current surveillance system. If a megapixel camera is used autonomously from the primary DVR/NVR system, direct remote network connection information must be submitted to the MMED.
- c. At least one 19" or greater call up monitor attached to the DVR/NVR or a playback station with a 19" monitor or greater is required and must be accessible to DVR/NVR controls for playback operation.

- d. All other monitors must have a minimum resolution of 1280 x 1024.
- e. All cameras must be viewable in multiplex mode from a 19" or greater monitor when used in critical areas and be able to pull a single camera (live and on playback).
- f. The licensee must have a failure notification system that provides an audible and/or text and visual notification of any failure in the surveillance system. The Failure Notification system must provide an alert to the licensee within five minutes of the failure, either by phone, email, or SMS alert contact.
- g. The licensee must be able to immediately produce a clear color still photo from any camera image (live or recorded). Each facility shall have a minimum of one color printer that produces a minimum of 9600 dpi.
- h. PTZ cameras must be 360 degree functional in customer areas and must be enclosed in a shaded housing, so that it is hidden from view. PT or PTZ camera that are mounted adjacent to walls must have a minimum of 270 degrees of functionality.
- i. After July 1, 2011, the use of multiplexer and quad recorders is not authorized in any area.
- j. A date/time must be embedded on all recordings of customer areas. The date and time must be synchronized and set correctly and must not significantly obscure the picture.
- k. All recordings must be erased or destroyed prior to disposal, sale to another licensee or manufacturer, or when discarded by any other means, except that the recordings must be retained for the period of time set forth in paragraph 6.d of this rule. Notwithstanding this rule, recordings may not be destroyed if the licensee is aware of a pending criminal, civil or administrative investigation or legal proceedings for which the recording may contain relevant information.

5. PLACEMENT OF CAMERAS/REQUIRED COVERAGE.

- a. All camera placements shall be inspected and approved prior to issuance of a satisfactory inspection report by the State Licensing Authority.

- b. All limited access areas, point of sale areas, security rooms/areas and all points of ingress/egress to limited access areas and all points of ingress/egress to the exterior of the licensed premises must have fixed camera coverage capable of identifying any activity occurring within a minimum of twenty (20) feet of all entry and exit points.
- c. All medical marijuana licensed premises shall have camera placement which allows for the clear and certain identification of any individual in and/or on the licensed premises.
- d. All medical marijuana shall be placed on a Department of Agriculture approved and calibrated weight scale so that the amount removed from the licensed premises is captured through the licensed premises' point of sale system.
- e. All entrances and exits to the facility shall be recorded from both indoor and outdoor vantage points, and capable of clearly identifying the individual entering or exiting the facility.
- f. The system shall be capable of clearly identifying any activities occurring within the facility or within the grow rooms in low light conditions.
- g. Areas where medical marijuana is grown, cured or manufactured shall have a camera placement in the room facing the primary entry door, and in adequate fixed positions, at a height which will provide a clear unobstructed view of the regular activity without a sight blockage from lighting hoods, fixtures, or other equipment, allowing for the clear and certain identification of persons and activities therein at all times.
- h. Cameras shall be placed at each location where weighing, packaging or tagging activities occur. These cameras shall allow for the clear and certain identification of all individuals and actives therein at all times.
- i. All limited access or critical areas shall have sufficient fixed cameras allowing for the clear and certain identification of any transacting individual(s) in that area.
- j. All outdoor optional premises growing areas must meet the same requirements for any other limited access areas or other low light areas.

6. OTHER STANDARDS.

- a. All camera views of customer areas must be continuously recorded twenty-four (24) hours a day. The use of motion detection is authorized with a minimum of ten (10) second pre- and post- event recording.
- b. Complete index and guide to the center cameras, technical documentation, monitors and controls must be available in the surveillance room. This guide must include a map of the camera locations, direction of coverage, camera numbers and operating instructions for the surveillance equipment.
- c. A chronological point of sale transaction log must be made available to be used in conjunction with recorded video of those transactions.
- d. All surveillance recordings must be kept for a minimum of twenty (20) days on the licensee's recording device (DVD, NVR) and an additional consecutive twenty (20) days must be kept on a cd or external hard-drive. Any destruction of the recordings after this period of time must comply with the requirements of paragraph 4.k of this rule. Notwithstanding this rule, recordings may not be destroyed if the licensee is aware of a pending criminal, civil or administrative investigation or legal proceeding for which the recording may contain relevant information.
- e. Access to surveillance rooms/areas shall be limited to employees that are essential to surveillance operations, law enforcement agencies, service personnel, and others when approved by MMED. The facility or surveillance room manager has final authority regarding the authorization of access by center personnel, except when the MMED requires or authorizes access. A current list of authorized employees and service personnel that have access to the surveillance room must be posted in the surveillance room. All activity (maintenance work, electronic work, etc.) shall be logged in a manner approved by the MMED. Offsite monitoring, management and storage by the licensee or independent company shall be allowed as long as they meet or exceed all standards for onsite monitoring. Independent companies and their employees shall be licensed by the State Licensing Authority.
- f. Each licensed center located in a common or shared building or area must have a surveillance room/area in-house. Exceptions would only be for commonly owned centers, which are within the same municipality. The surveillance room must be within one of the commonly owned centers. The center will provide a review station,

printer, map of cameras, and communication in the property that does not house the surveillance room if the centers are not contiguous. All equipment and security standards in the review station room will meet the minimum criteria set forth by this section.

- g. Surveillance rooms must remain locked. Licensees that have other functions housed in the surveillance room must receive MMED approval. At least one surveillance camera must be in the surveillance room or view access to the surveillance area and record and be able to clearly identify any person who accesses any surveillance or non-surveillance equipment. At a minimum off site transfer and storage of data from this camera must be maintained for seventy-two (72) hours.
- h. Surveillance recordings and clear still photos must be made available to the MMED and law enforcement upon an administrative or law enforcement request demonstrating that the information sought is relevant and material to a legitimate regulatory or law enforcement inquiry

7. DIGITAL VIDEO RECORDING AND MANAGEMENT.

- a. All video signals shall be recorded in either a DVR, Hybrid DVR or a NVR capable of meeting or exceeding the following specifications. The MMED will maintain a list of approved DVR, Hybrid DVR and NVR all such installed equipment must be on the approved list to meet requirements.
- b. All recorded resolutions for cameras shall be at least 1CIF (352 x 288) and meet all other requirements contained within this rule. However, all recorded resolutions for cameras installed after July 1, 2011, shall be at least 2 CIF (704 x 288).
- c. All camera recording shall have a recorded frame rate of at least fifteen (15) fps when motion is detected in the image.
- d. Video shall be recorded with acceptable resolution and image quality showing less than five percent (5%) of artifacting across the recorded image.
- e. The video recording shall allow for the exporting of still images in an industry standard image format, including .jpg, .bmp, and .gif.
- f. Recordings must have the ability to be archived to DVD-R, CD-R, Blue Ray or USB Drive as required by the MMED.

- g. Exported video must have the ability to be archived in a proprietary format that ensures authentication of the video and guarantees that no alteration of the recorded image has taken place.
- h. A freely distributable standalone player must be available.
- i. Exported video must also have the ability to be saved in an industry standard file format that can be played on a standard PC using either Apple QuickTime or Windows Media Player.

8. VIDEO CAMERA HOUSINGS AND MOUNTS.

- a. All cameras shall be in a housing coordinated with the facility to ensure proper operation in all anticipated conditions.
- b. All housings shall be sufficiently moisture resistant to withstand any environmental conditions expected in their specified location.
- c. All cameras located in areas where conditions are subject to extremes temperatures shall be in housings equipped with heaters and/or blowers as required.
- d. All housings must allow for sufficient room for ease of servicing and adjustment to each camera.
- e. All mounts holding devices exceeding 5 pounds in weight shall be equipped with a safety cable attached to nearby structure or be properly mounted using anchors which are properly weight rated.
- f. Outdoor camera housings must be rated International Protection Rating of 67 or above.

9. CABLING.

- a. All cabling for camera transmission should be unshielded twisted pair Category 5e or RG-59u cable coupled with low-voltage cable (Siamese cable.)
- b. All cabling shall be Ethernet compliant and shall conform to the Ethernet guidelines for distance and installation on all IP-based cameras.

10. REMOTE VIDEO MONITORING AND RETRIEVAL.

- a. The DVR or NVR system shall be capable of providing remote viewing via the internet of both live and recorded video.

- b. DVR or NVR systems shall be approved by the MMED.
- c. DVR or NVR must allow for remote connection and control over all cameras.
- d. Internet Connectivity must allow for at least 384k upstream.
- e. Static IP address and port or a web based application with a user name and password control is required to allow for remote connection to the DVR/NVR(s).

11. POINT OF SALE AND VIDEO SURVEILLANCE CAPTURED DATA.

- a. Data which is captured from licensee point of sale and video surveillance systems shall be held in confidence by all employees or representatives of the State Licensing Authority and the MMED, and shall only be disclosed upon an administrative or law enforcement request demonstrating that the information sought is relevant and material to a legitimate regulatory or law enforcement inquiry.

12. POWER BACKUP.

- a. All cameras, recording equipment and associated network switching shall have sufficient battery backup to support fifteen (15) minutes of recording in the event of a power outage.

The MMED must have full control capability over the camera operation and over all other remote access service equipment.

CHAPTER 11
--- Storage and Transportation ---

100's --- General Provisions for Storage

11.100 - Storage-Warehouse Storage Permit. *[Effective: 7/01/11]*

- A. No medical marijuana shall be stored or kept in or upon any premises which shall not be duly licensed, provided however, that the State Licensing Authority, upon approval by the local licensing authority, may issue a warehouse storage permit to licensees for the storage of permitted medical marijuana in one location other than the licensed premises.

No such permit shall be granted in any county or municipal jurisdiction that has made a legislative determination not to engage in licensing under the Code or where registered electors have voted to prohibit the cultivation or sale of medical marijuana.

- B. Title to all medical marijuana stored or kept pursuant to a warehouse storage permit shall be vested in such permit holder.
- C. Medical marijuana may not be sold or delivered from the premises used pursuant to a warehouse storage permit.
- D. Any licensee obtaining a warehouse storage permit shall provide a copy of said permit to the local licensing authority and display such permit and a copy thereof, in a prominent place within their licensed premises and within the permitted storage premises.
- E. Any storage warehouse storing medical marijuana must meet all video and security requirements as any other licensed premises.
- F. Any medical marijuana stored in a storage warehouse licensed premises shall be packaged, sealed, weighed and recorded on video before it is transported directly to or from the storage warehouse directly from or to the primary licensed premises only. Any discrepancy in weight shall be documented and reported to the MMED within twenty-four (24) hours. It shall be unlawful to open a pre-sealed package of medical marijuana except upon the primary licensed premises.
- G. Any medical marijuana removed from a Licensee's OPC licensed premises may only be transported directly to the Licensee's MMC or its MIP's licensed premises on file and registered as required by law. Said marijuana shall be weighed and prepackaged and recorded on video upon the licensed premises before it is transported. All persons transporting said medical

marijuana shall be licensed or registered as provided in section 12-43.3-401, C.R.S.

200's --- General Provisions for Transportation

11.200 - Transportation—Authorization and Licenses Required.

[Effective: 7/01/11]

- A. Any person who transports medical marijuana or medical marijuana infused products pursuant to section 12-43.3-310(5), C.R.S., and these rules must be licensed by the State Licensing Authority.
- B. All non-infused medical marijuana shall be packaged in a sealed package or container approved by the MMED for transportation. Each container shall be packaged and weighed prior to leaving the origination location. Each container shall be sealed by MMED-approved tamperproof tape and each tagged and labeled pursuant to these rules.
- C. All medical marijuana-infused products shall be packaged in a sealed package or container approved by the MMED for transportation. Each container shall be packaged and all items shall be inventoried and accounted for on video prior to leaving the origination location. Each container shall be sealed and each item tagged and labeled as required in these rules.
- D. Transportation of medical marijuana or medical marijuana-infused products shall in all instances be accompanied by a manifest that is approved by the MMED. The manifest shall be created online on the MMED website and a printed copy shall be carried at all times with the products being transported. The licensee shall complete and submit a form provided by the MMED, in cases where an electronic record cannot be recorded or evidence printed. That form shall be submitted via fax to the MMED prior to any transportation of medical marijuana or medical marijuana-infused products. The manifest shall include the following:
 - 1. Name of the licensed entity;
 - 2. Date completed;
 - 3. Name, location and license number of the origination location;
 - 4. Name, location and license number of the destination(s) location(s);
 - 5. Products and quantities being delivered to each location if more than one;
 - 6. Date and approximate time of departure;
 - 7. Date and estimated time of arrival;
 - 8. Route to be traveled;
 - 9. Vehicle make and model, together with license plate number;

10. Name and signature of the licensed person transporting product; and
11. Date.

E. When determining and reporting the route to take, licensees should select the best direct route that provides efficiency and safety. When medical marijuana or medical marijuana-infused products are transported in the manner described by the MMED through these regulations, it may be transported on any public road through any city, town, city and county or county, whether or not that city, town, city and county or county has allowed for medical marijuana licensees to operate there.

CHAPTER 12
--- Sanitary Requirements ---

100's --- Physical Premises

12.100 – Medical Marijuana Infused Products – Reasonable Measures and Precautions. *[Effective: 7/01/11]*

A. Definitions:

1. “Employees” - for purposes of this regulation, means any person working at any premises licensed pursuant to section 12-43.3-401 C.R.S., who transports medical marijuana, infused products or MIPs containers, who engages in preparation or service, or who comes in contact with any medical marijuana, medical marijuana infused product utensils or equipment.
2. “Medical Marijuana-Infused Product” or “MIP” - shall be as defined in section 12-43.3-104(9), C.R.S.
3. “Sanitization” – for purposes of this regulation, means the application of cumulative heat or chemicals on cleaned surfaces that when evaluated for efficacy, is sufficient to yield a reduction of 5 logs, which is equal to 99.999% reduction, of representative disease organisms of public health importance. Chemicals approved for use as a sanitizer can be found at Food and Drug Administration, Department of Health and Human Services, 21 C.F.R. 178.1010 (2010).

B. The Licensee shall take all reasonable measures and precautions to ensure the following:

1. That any person who, by medical examination or supervisory observation, is shown to have, or appears to have, an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination for whom there is a reasonable possibility of contact with preparation surfaces for medical marijuana or MIPs shall be excluded from any operations which may be expected to result in such contamination until the condition is corrected.
2. That all persons working in direct contact with preparation of medical marijuana or MIPs shall conform to hygienic practices while on duty, including:
 - a. Maintaining adequate personal cleanliness.

- b. Washing hands thoroughly in an adequate hand-washing area(s) before starting work and at any other time when the hands may have become soiled or contaminated.
 - c. Hand-washing facilities shall be adequate and convenient and be furnished with running water at a suitable temperature. Hand-washing facilities shall be located in the facility in MIP preparation areas and where good sanitary practices require employees to wash and/or sanitize their hands, and provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices.
 - d. Refraining from having direct contact with preparation of medical marijuana or MIPs if the person has or may have an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination, until such condition is corrected.
3. That there is sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations for production of medical marijuana or MIPs.
4. That litter and waste are properly removed, and the operating systems for waste disposal are maintained in an adequate manner so that they do not constitute a source of contamination in areas where medical marijuana or MIPs are exposed.
5. That floors, walls, and ceilings are constructed in such a manner that they may be adequately cleaned and kept clean and kept in good repair.
6. That there is adequate safety-type lighting in all areas where medical marijuana or infused product is processed or stored, and where equipment or utensils are cleaned.
7. That the facility provides adequate screening or other protection against the entry of pests. Rubbish shall be disposed of so as to minimize the development of odor, minimize the potential for the waste becoming an attractant and harborage or breeding place for pests.
8. That buildings, fixtures, and other physical facilities are maintained in a sanitary condition.
9. That all contact surfaces, including utensils and equipment used for preparation of medical marijuana or MIPs shall be cleaned and sanitized as frequently as necessary to protect against contamination. Equipment and utensils shall be so designed and of such material and

workmanship as to be adequately cleanable, and shall be properly maintained. Only EPA registered sanitizing agents shall be used in medical marijuana or MIPs facilities and used in accordance with labeled instructions.

10. That toxic cleaning compounds, sanitizing agents, and pesticide chemicals shall be identified, held, and stored in a manner that protects against contamination of medical marijuana or MIPs.
11. That the water supply shall be sufficient for the operations intended and shall be derived from a source that is a regulated water system. Private water supplies shall be from a water source that is capable of providing a safe, potable and adequate supply of water to meet the facility's needs.
12. That plumbing shall be of adequate size and design and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the plant; and properly convey sewage and liquid disposable waste from the facility. There shall be no cross-connections between the potable and waste water lines.
13. That each facility shall provide its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and good repair.
14. That all operations in the receiving, inspecting, transporting, segregating, preparing, manufacturing, packaging, and storing of medical marijuana or MIPs shall be conducted in accordance with adequate sanitation principles.
15. That medical marijuana or MIPs that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms.
16. That storage and transportation of finished medical marijuana or MIPs shall be under conditions that will protect medical marijuana or MIPs against physical, chemical, and microbial contamination as well as against deterioration of the medical marijuana or MIP and the container.
17. That all sanitary requirements shall also apply to any person making hashish on the premise of an OPC licensee. Production of water based hashish may only be made in an area so designated clearly on the diagram of the premises on file with the licensing authority. All other methods of extraction shall meet these standards and only be produced in a facility licensed to manufacture MIPs.

200's --- Waste Disposal

12.200 – Minimum Requirements for Disposal of Medical Marijuana Waste.

[Effective: 7/01/11]

- A. Medical marijuana waste must be stored, secured and managed in accordance with applicable state statutes and regulations.
- B. Medical marijuana waste must be stored secured and managed in accordance with local and state regulations, ordinances and other requirements.
- C. Liquid waste from medical marijuana facilities shall be disposed of in compliance with the applicable Water Quality Control Division statutes and regulations found at sections 25-8-101 *et seq*, C.R.S., and in the Code of Colorado Regulations at 5 CCR 1002 and 1003.
- D. Medical marijuana waste must be made unusable prior to leaving a registered facility's secured storage and management area.
- E. Medical marijuana waste shall be rendered unusable through the following methods:
 - 1. By grinding and incorporating the medical marijuana waste with non-consumable, solid wastes listed below such that the resulting mixture is at least fifty percent non marijuana waste:
 - a. Paper waste,
 - b. Plastic waste,
 - c. Cardboard waste,
 - d. Food waste,
 - e. Grease or other compostable oil waste,
 - f. Bokashi, or other compost activators,
 - g. Other wastes approved by the MMED that will render the medical marijuana waste unusable, or
 - h. Soil.

2. By incorporating the medical marijuana waste with non-consumable, recyclable solid wastes listed below:
 - a. Grease or other compostable oil waste,
 - b. Bokashi, or other compost activators, or
 - c. Other wastes approved by the MMED that will make the medical marijuana waste unusable.
- F. After the medical marijuana waste is made unusable, then the solid waste shall be:
1. Disposed of as a solid waste at solid waste site and disposal facility that has a Certificate of Designation from the local governing body and that is approved by the MMED,
 2. Deposited at a compost facility that has a Certificate of Designation from the Department of Public Health and Environment and approved by the MMED, or
 3. Composted on-site at a facility owned by the generator and operated in compliance with the Regulations Pertaining to Solid Waste Sites and Facilities (6 CCR 1007-2, Part 1) in the Colorado Department of Public Health and Environment.

CHAPTER 13
--- Verifying a Sale ---

100's --- General Provisions

13.100 – Acceptable Identification. *[Effective: 7/01/11]*

- A. Licensees shall refuse to sell medical marijuana to any patient or caregiver permitted to deliver medical marijuana to homebound patients as permitted by section 25-1.5-106(7)(d), C.R.S., unable to produce a valid patient registry card and adequate, currently valid proof of identification. As long as it contains a picture and date of birth, the kind and type of identification deemed adequate shall be limited to the following:
1. An operator's, chauffeur's or similar type driver's license, issued by any state within the United States, any U.S. Territory.
 2. An identification card, issued by any state for the purpose of proof of identification and age as in accordance with sections 42-2-302 and 42-2-303, C.R.S.
 3. A military identification card.
 4. A passport.
- B. Upon entry into a licensed facility by a patient or caregiver, the licensee shall physically view and inspect the patient or caregiver's registry card and proof of identification to confirm the information contained on the documents and also to judge the authenticity of the documents presented.

CHAPTER 14
--- Labeling Standards ---

100's --- General Provisions

14.100 - Product Labeling, Substitution, Sampling and Analysis.

[Effective: 7/01/11]

- A. No licensee shall sell, transfer or give away any medical marijuana that does not contain a label with a list of all ingredients, including all chemical additives, including but not limited to nonorganic pesticides, herbicides, and fertilizers that were used in its cultivation and production.
1. In addition, all labels for non-infused products shall include:
 - a. the license number of the OPC licensee, the MMC if medical marijuana was obtained from a center not licensed the same as the OPC facility, or if being sold by a different licensed MMC, that Center's license number;
 - b. the date of sale; and
 - c. the patient registry number of the purchaser.
 2. All medical marijuana-infused products which are sold, offered for sale or exposed for sale, or transported within the State of Colorado for sale shall bear thereon or have attached thereto in a conspicuous place a plainly written or printed label or tag in the English language, giving the following information, which statement shall not be modified or obscured in the labeling or on another label attached to the product:
 - a. an identity statement;
 - b. a net weight statement;
 - c. a list of ingredients;
 - d. a recommended use by or expiration date;
 - e. batch tracking information;
 - f. basic medical and/or legal warning information; and
 - g. statement of the company name and State Licensing Authority license number, together with the company's telephone number or mailing address or website information;
 3. The minimum print size for each of the three required statements for non-infused products and for each of the seven required statements for medical marijuana-infused products is 1/16 inch. The size of the characters in the net weight statement is determined by the area of the principal display panel and may be greater than 1/16 inch.

4. For medical marijuana-infused products, the product identity and net weight statements must appear on the portion of the label displayed to the consumer.
5. When a medical marijuana-infused product is made specifically for a designated patient, the label of that product shall state the patient's Medical Marijuana Registry number.
6. The list of ingredients and company name statements must be conspicuously listed on the medical marijuana-infused product package.
7. A nutrition facts panel may be required if nutritional claims are made on the label of any medical marijuana-infused product.
8. All "edibles" shall also contain the following statement:

"This product is infused with medical marijuana and was produced without regulatory oversight for health, safety or efficacy and there may be health risks associated with the consumption of the product."

- B. All licensees for the sale of medical marijuana shall, upon request of the MMED or any of its officers, make available to the person so requesting a sufficient quantity of such medical marijuana to enable laboratory or chemical analysis thereof. The licensee shall be notified of the results of the analysis.
- C. The Director of the MMED may contract with a laboratory to conduct independent testing of medical marijuana products. Testing may be conducted for determining if samples of medical marijuana contain molds, pesticides or other substances that may be present. To ensure integrity such testing shall be conducted by a laboratory that does not process samples for any licensee.
- D. In addition to the requirements listed above, nothing shall preclude the manufacturer from making recommended guidelines for dosage and usage of medical marijuana in any form as long as the statement includes language that the recommended guidelines have not been scientifically validated. By way of example, the recommendations may include language that substantially states:
 1. "The appropriate dose of medical marijuana may be different for each patient and medical condition. Please consult your physician or medical marijuana center" and/or;
 2. "Levels of active components of medical marijuana reported on product labels are not subject to independent verification and may differ from actual levels".

- E. The following chemicals which have been banned by federal and state agriculture authorities shall not be used in the cultivation of marijuana for medical purposes by Licensees. Possession of chemicals and/or containers from these chemicals upon the licensed premises shall be a violation. These include:

Chemical Name
CAS Registry Number (or EDF Substance ID)
ALDRIN
309-00-2
ARSENIC OXIDE (3)
1327-53-3
ASBESTOS (FRIABLE)
1332-21-4
AZODRIN
6923-22-4
1,4-BENZOQUINONE, 2,3,5,6-TETRACHLORO-
118-75-2
BINAPACRYL
485-31-4
2,3,4,5-BIS (2-BUTENYLENE) TETRAHYDROFURFURAL
126-15-8
BROMOXYNIL BUTYRATE
EDF-186
CADMIUM COMPOUNDS
CAE750
CALCIUM ARSENATE [2ASH3O4.2CA]
7778-44-1
CAMPHECHLOR
8001-35-2
CAPTAFOL
2425-06-1
CARBOFURAN
1563-66-2
CARBON TETRACHLORIDE
56-23-5
CHLORDANE
57-74-9
CHLORDECONE (KEPONE)
143-50-0
CHLORDIMEFORM
6164-98-3
CHLOROBENZILATE
510-15-6
CHLOROMETHOXYPROPYLMERCURIC ACETATE [CPMA]

EDF-183
COPPER ARSENATE
10103-61-4
2,4-D, ISOOCTYL ESTER
25168-26-7
DAMINOZIDE
1596-84-5
DDD
72-54-8
DDT
50-29-3
DI(PHENYLMERCURY)DODECENYLSUCCINATE [PMDS]
EDF-187
1,2-DIBROMO-3-CHLOROPROPANE (DBCP)
96-12-8
1,2-DIBROMOETHANE
106-93-4
1,2-DICHLOROETHANE
107-06-2
DIELDRIN
60-57-1
4,6-DINITRO-O-CRESOL
534-52-1
DINITROBUTYL PHENOL
88-85-7
ENDRIN
72-20-8
EPN
2104-64-5
ETHYLENE OXIDE
75-21-8
FLUOROACETAMIDE
640-19-7
GAMMA-LINDANE
58-89-9
HEPTACHLOR
76-44-8
HEXACHLOROBENZENE
118-74-1
1,2,3,4,5,6-HEXACHLOROCYCLOHEXANE (MIXTURE OF ISOMERS)
608-73-1
1,3-HEXANEDIOL, 2-ETHYL-
94-96-2
LEAD ARSENATE
7784-40-9

LEPTOPHOS
21609-90-5
MERCURY
7439-97-6
METHAMIDOPHOS
10265-92-6
METHYL PARATHION
298-00-0
MEVINPHOS
7786-34-7
MIREX
2385-85-5
NITROFEN
1836-75-5
OCTAMETHYLDIPHOSPHORAMIDE
152-16-9
PARATHION
56-38-2
PENTACHLOROPHENOL
87-86-5
PHENYLMERCURIC OLEATE [PMO]
EDF-185
PHOSPHAMIDON
13171-21-6
PYRIMINIL
53558-25-1
SAFROLE
94-59-7
SODIUM ARSENATE
13464-38-5
SODIUM ARSENITE
7784-46-5
2,4,5-T
93-76-5
TERPENE POLYCHLORINATES (STROBANE6)
8001-50-1
THALLIUM(I) SULFATE
7446-18-6
2,4,5-TP ACID (SILVEX)
93-72-1
TRIBUTYL TIN COMPOUNDS
EDF-184
2,4,5-TRICHLOROPHENOL
95-95-4
VINYL CHLORIDE
75-01-4

F. The use of Dimethylsulfoxide (DMSO) in the production of medical marijuana products shall be prohibited and possession of DMSO upon the licensed premises is prohibited.

CHAPTER 15
--- Record Retention by Licensee and Access by Others ---

--- RESERVED ---

CHAPTER 16
--- State Licensing Procedures ---

100's --- Initial Licenses

16.100 – Residency Requirements. *[Effective: 12/30/10]*

1. An applicant other than a natural person may meet the residency requirement of section 12-43.3-307(1)(a)(XIII), C.R.S., if all owners, officers, managers and employees of the applicant are residents as required by section 12-43.3-310(6), C.R.S.

2. Any natural person applying for a license or serving as an owner, officer, manager or employee of an applicant for licensure must establish Colorado residency as required by sections 12-43.3-307(1)(a)(XIII) and 12-43.3-310(6), C.R.S.

a. The location of a natural person's principal or primary home or place of abode ("primary home") may establish Colorado residency. A natural person's primary home is that home or place in which a person's habitation is fixed and to which the person, whenever absent, has the present intention of returning after a departure or absence therefrom, regardless of the duration of such absence. A primary home is a permanent building or part of a building and may include by way of example a house, condominium, apartment, room in a house, or mobile home. No rental property, vacant lot, vacant house or cabin, or other premises used solely for business purposes shall be considered a primary home. The State Licensing Authority considers the following types of evidence to be generally reliable indicators that a person's primary home is in Colorado:

- i. Evidence of business pursuits, place of employment, income sources, residence for income or other tax purposes, age, residence of parents, spouse, and children, if any, leaseholds, situs of personal and real property, existence of any other residences outside of Colorado and the amount of time spent at each such residence, and any motor vehicle or vessel registration.
- ii. Duly authenticated copies of the following documents may be taken into account: A current driver's license with address, recent property tax receipts, copies of recent income tax returns, current voter registration cards, current motor vehicle or vessel registrations, and other public records evidencing place of abode or employment.
- iii. Other types of reliable evidence.
- iv. The State Licensing Authority will review the totality of the evidence, and any single piece of evidence regarding the location of a person's primary home will not necessarily be determinative.

- b. The following natural persons are presumed to be Colorado residents:
- i. Members of the armed services of the United States or any nation allied with the United States who are on active duty in Colorado under permanent orders and their spouses;
 - ii. Personnel in the diplomatic service of any nation recognized by the United States who are assigned to duty in Colorado and their spouses;
 - iii. Full-time students who are enrolled in any accredited trade school, college, or university in Colorado. For purposes of this paragraph, the spouse of any such student shall also be considered a resident. The temporary absence of such student or the student's spouse from this state while the student is still enrolled at any such trade school, college, or university shall not be deemed to terminate their residency. A student shall be deemed "full-time" if considered full-time under the rules or policy of the educational institution he or she is attending.

A natural person who is a Colorado resident pursuant to this rule does not terminate Colorado residency upon entering the armed services of the United States. A member of the armed services on active duty who resided in Colorado at the time the person entered military service and the person's spouse are presumed to retain their status as residents of Colorado throughout the member's active duty in the service, regardless of where stationed or for how long.

16.101 - Application - General Provisions. *[Effective: 7/01/11]*

- A. All applications for state licenses authorized pursuant to section 12-43.3-401, C.R.S., shall be made upon forms prescribed by the MMED. No application will be considered which is not complete in every material detail, nor which is not accompanied by a remittance in full for the whole amount of the annual state application and license fees. Each application for a new license shall contain a report of the local licensing authority of the town, city, county, or city and county in which the applicant proposes to conduct its business, which report shall comply with the Code, and provide a written approval of the local licensing authority.
- B. If the applicant for a license is a partnership, except as between a husband and wife, it shall submit with the application a certificate of co-partnership.
- C. Upon request of any licensing authority, each applicant for license shall provide suitable additional evidence of its citizenship, residence, and good character and reputation, and licensees shall also submit upon request of any licensing authority all required information concerning financial and management associations and interests of other persons in the business,

and the deed, lease, contract, or other document governing the terms and conditions of occupancy of the premises licensed or proposed to be licensed.

- D. All information submitted to any licensing authority, by application for license or otherwise, shall be given fully, faithfully, truthfully and fairly.

16.105 - Change in Class of License. *[Effective: 7/01/11]*

A request for a change in the class of license from that presently held by a licensee shall be considered as an application for a new license.

16.110 - Change of Location. *[Effective: 7/01/11]*

- A. In the event any licensee licensed pursuant to section 12-43.3-401(1)(a), (b), or (c), C.R.S., desires to change its place of business from that named in an existing license, it shall make application to the MMED for permission to change location to the place where such license is to be exercised.
- B. Each such application shall be made upon forms prescribed by the Medical Marijuana Enforcement Division, shall be verified, and shall be complete in every detail. Each such application shall show thereon the reason for requesting such change, and in case of a retail license, shall be supported by evidence that the application complies with any local requirements of the neighborhood in the vicinity of the new location. In the case of the change of location of a license, each such application shall contain a report of the local licensing authority of the town, city, county, or city and county in which the license is to be exercised, which report shall show the opinion of the local licensing authority with respect to the new location.
- C. No change of location shall be permitted until after the MMED considers the application and such additional information as it may require, and issues to the applicant a permit for such change. The permit shall be effective on the date of issuance, and the licensee shall, within one-hundred twenty (120) days, change the location of its business to the place specified therein and at the same time cease to conduct the sale of medical marijuana from the former location. The permit shall be conspicuously displayed at the new location, immediately adjacent to the license to which it pertains. For good cause shown, the one-hundred twenty (120) day deadline may be extended for an additional ninety (90) days.
- D. No change of location will be allowed except to another place within the same city, town, county or city and county in which the license as originally issued was to be exercised.

- E. Upon application for change of location, public notice if applicable shall be required by the local licensing authority in accordance with section 12-43.3-302, C.R.S.
- F. There shall be no public notice requirements when requesting a change of location for an OPC license.

16.115 - Changing, Altering, or Modifying Licensed Premises.

[Effective: 7/01/11]

- A. After issuance of a license, the licensee shall make no physical change, alteration or modification of the licensed premises which materially or substantially alters the licensed premises or the usage of the licensed premises from the plans and specifications submitted at the time of obtaining the original license without the prior written consent of the local and state licensing authorities. For purposes of this regulation, physical changes, alterations or modifications of the licensed premises, or in the usage of the premises requiring prior written consent, shall include, but not be limited to, the following:
 - 1. Any increase or decrease in the total physical size or capacity of the licensed premises.
 - 2. The sealing off, creation of or relocation of a common entryway, doorway, passage or other such means of public ingress and/or egress, when such common entryway, doorway or passage alters or changes the cultivation, harvesting of, or sale or distribution of medical marijuana within the licensed premises.
 - 3. Any substantial or material enlargement of a sales counter, or relocation of a sales counter, or addition of a separate sales counter.
 - 4. Any material change in the interior of the premises that would affect the basic character of the premises or the physical structure that existed in the plan on file with the latest prior application.

The foregoing shall not apply to painting and redecorating of premises; the installation or replacement of electric fixtures or equipment; the lowering of ceiling; the installation and replacement of floor coverings; the replacement of furniture and equipment, and other similar changes, nor to any non-structural remodeling of a licensee's premises where the remodel does not expand the existing approved areas.

- B. In making its decision with respect to any proposed changes, alterations or modifications, the licensing authority must consider whether the premises, as changed, altered or modified, will meet all of the pertinent requirements of the Code and the Regulations promulgated there under. Factors to be taken into account by the licensing authority include, by way of illustration but not limited to, the following:
1. The possession, by the licensee, of the changed premises by ownership, lease, rental or other arrangement.
 2. Compliance with the applicable zoning laws of the municipality, city and county or county.
 3. Compliance with the distance prohibition in regard to any public or parochial school or the principal campus of any college, university, or seminary, child care center or drug treatment center.
 4. The legislative declaration that the Code is an exercise of the police powers of the state for the protection of the economic and social welfare and the health, peace, and morals of the people of this state.
- C. If permission to change, alter or modify the licensed premises is denied, the licensing authority shall give notice in writing and shall state grounds upon which the application was denied. The licensee shall be entitled to a hearing on the denial if a request in writing is made to the licensing authority within thirty days after the date of notice. At no time shall the address of the OPC license be disclosed.

16.120 - Change of Trade Name. [Effective: 7/01/11]

No licensee shall change the name or trade name of the licensed premises without submitting written notice to the local and state licensing authorities at least ten (10) days prior to the change.

200's --- Renewals (RESERVED)

300's --- Reinstatements (RESERVED)

400's --- Payment of License Fees (RESERVED)

CHAPTER 17
--- Sales Tax ---

100's --- General Provisions

17.100 - Reporting and Transmittal of Monthly Tax Payments.

[Effective: 7/01/11]

All state and state collected sales and use tax returns must be filed and all taxes must be paid to the Department of Revenue on or before the 20th day of the month following the reporting month. For example, a January return and remittance will be due to the Department of Revenue by February 20th. If the due date (20th of the month) falls on a weekend or holiday, the next business day is considered the due date for the return and remittance. Evidence that this requirement has been met shall be reported to the MMED on a monthly basis as directed. This report shall include the full amount of sales tax reported.

CHAPTER 18
--- Access to Licensing Information by Department of Revenue ---

--- RESERVED ---

CHAPTER 19
--- Administrative Citations ---

100's --- Practice and Procedure

19.100 – Definitions, Proceedings, Citation Violation List and Schedule of Penalties for Administrative Citations. [Effective: 7/01/11]

A. Applicability.

This regulation provides for administrative citations that the State Licensing Authority may pursue, in its sound discretion, to address alleged violations of the Colorado Medical Marijuana Code and its rules. The State Licensing Authority maintains its authority to pursue all other legal remedies available to it.

B. Citation – Defined.

A complete written notice, issued to a licensee by the Division on an approved form and by means of which the Division alleges the licensee has violated one or more sections of the Colorado Medical Marijuana Code or the rules promulgated pursuant to the Code.

C. Administrative Citation.

1. The State Licensing Authority delegates to the Division Director or the Division Director's designees the authority to issue citations according to the Citation Violation List and Schedule of Penalties. The State Licensing Authority also delegates to the Division Director the authority to rescind any citation and cancel its associated penalty, in the event that the citation has not been issued according to the provisions of the Citation Violation List and Schedule of Penalties, or has, otherwise, been inappropriately issued.
2. Each administrative citation shall contain the following information:
 - a. The date(s) of the violation(s) or, if the date of the violation(s) is/are unknown, then the date the violation(s) is/are identified;
 - b. The address or a definite description of the location where the violation(s) occurred;
 - c. The section(s) of the Colorado Medical Marijuana Code or rule(s) violated and a description of the violation(s);
 - d. The amount of the fine for the violation(s);

- e. A description of the fine payment process, including a description of the time within which and the place to which the fine shall be paid;
- f. An order prohibiting the continuation or repeated occurrence of the violation(s) described in the administrative citation;
- g. A description of the administrative citation review process, including the time within which the administrative citation may be contested and the place to which the request must be made; and
- h. The name and signature of the citing enforcement officer.

D. Fine and Late Payment Fee.

1. Fines and any late charges due shall be made payable to the Department of Revenue and paid at such location or address as stated in the citation, or as may otherwise be designated by the State Licensing Authority.
2. The due date for payment of a fine shall be twenty-one (21) calendar days from the date of issuance of the citation.
3. Any person who fails to pay the State Licensing Authority any fine imposed pursuant to the provisions of this rule on or before the date that fine is due also shall be liable for the payment of any applicable late payment charges.
4. Payment of the fine shall not excuse or discharge the licensee from the duty to immediately stop violating the Colorado Medical Marijuana Code or rules, nor from any other responsibility or legal consequences for a continuation or repeated occurrence(s) of a violation of the Code or rules.
5. Abatement of a violation shall not excuse the obligation of the licensee to pay a fine, or any late charge imposed on the untimely payment of the fine.

E. Violation - Defined.

1. For purposes of penalty assessments, a violation of the Colorado Medical Marijuana Code or rules is classified as a general violation unless otherwise specified.

- a. A general violation is defined as a violation which is specifically determined not to be of a serious nature, but has a relationship to the Colorado Medical Marijuana Code or rules.
2. A general violation can be deemed aggravated and the penalty assessment increased when any relevant circumstances, supported by evidence, are present to cause the harshest penalty allowed under the Colorado Medical Marijuana Code or any of the rules promulgated thereunder.

F. Citation Violation List and Schedule of Penalties.

Description of Violation	Authority	1st Violation	2nd Violation	3rd Violation
Working without a badge	§12-43.3-202(2)(a)(I), C.R.S.	\$50	\$100	\$200
Misuse of license	§12-43.3-202(2)(a)(I), C.R.S.	\$50	\$100	\$200
Failure to have employee properly licensed	§12-43.3-202(2)(a)(I), C.R.S.	\$50	\$100	\$200
Failure to have license validated/ current	§12-43.3-202(2)(a)(I), C.R.S.	\$50	\$100	\$200
Failure to display an occupational license in a restricted area	§12-43.3-202(2)(a)(IX), C.R.S.	\$50	\$100	\$200
Failure to perform proper maintenance	§12-43.3-202(2)(a)(XI), C.R.S.	\$50	\$100	Hearing
Failure to have business facility in proper condition	§12-43.3-202(2)(a)(XI), C.R.S.	\$50	\$100	Hearing
Failure to have all documentation, approvals, and	§12-43.3-202(2)(a)(X), C.R.S.	\$50	\$100	\$200

variances, or copies thereof, relating to surveillance				
Allowing, having, or bringing unauthorized person(s) into restricted areas	§12-43.3-202(2)(a)(I), C.R.S.	\$100	\$200	Hearing
Failure to take all reasonable measures and precautions to establish and maintain sanitary conditions	§12-43.3-202(2)(a)(XII), C.R.S.	\$100	\$250	Hearing
Failure to report transmittal of monthly sales tax payments	§12-43.3-202(2)(a)(XVIII), C.R.S.	\$50	\$100	Hearing
Incorrect or misleading labeling	§12-43.3-202(2)(a)(XIV), C.R.S.	\$100	\$150	\$200
Prohibited conduct in restricted area	§12-43.3-202(2)(a)(I), C.R.S.	\$100	\$200	Hearing
Failure to tag or label any plant or product as required by statute or regulation	§12-43.3-202(2)(a)(I), C.R.S.	\$200	\$300	Hearing
Failure to use scale or weight specifications as required by statute or regulation	§12-43.3-202(2)(a)(XX), C.R.S.	\$100	\$200	Hearing

G. Hearing Request for Administrative Citations.

1. All requests for a hearing to challenge a citation, must be made in writing within twenty (20) days of the date of the citation unless otherwise provided by these rules. The request shall include the grounds for the hearing requested. If no written request is made within twenty (20) days, the aggrieved person shall be deemed to have waived any right to challenge the citation.
2. When a licensee requests a hearing, the Division Director shall review the citation. For any citation that the Division Director or their designee determines there should be a hearing, the State Licensing Authority shall assign the hearing according to the provisions of this rule to the Department of Revenue Hearings Division for assignment to a Hearing Officer. The Division or the Department of Revenue Hearings Division shall provide notice to the licensee according to the provisions of this rule, and shall conduct the hearing pursuant to this rule.

H. Hearing Officer.

Pursuant to section 12-43.3-202(1)(c), C.R.S., the State Licensing Authority may delegate to the Department of Revenue Hearing Officers the authority to conduct licensing, disciplinary and rulemaking hearings under section 24-4-105, C.R.S. Unless otherwise provided for in this rule, the Hearing Officer shall conduct the hearing in compliance with the Administrative Procedure Act.

I. Hearing Procedure For Administrative Citations.

1. The hearing shall be on the merits to determine whether the charged violation did occur. After the matter has been heard, the Hearing Officer shall make findings of fact and shall issue an order on behalf of the State Licensing Authority. The order of the Hearing Officer shall constitute an initial decision appealable to the Executive Director of the Department of Revenue under the Colorado Administrative Procedures Act. If the charged violation is found to have occurred, then the order from the hearing shall uphold the citation in full, shall not increase the penalty, shall require the fine(s) to be paid pursuant to this rule, and shall reset the payment date based upon the date of the Ruling. If the charged violation(s) are found to have not occurred, then the ruling from the hearing shall dismiss the citation with prejudice and cancel the associated penalty.
2. If the licensee fails to appear for the hearing and no continuance has been granted, the Hearing Officer shall call the case and make a record of the proceedings, the licensee's request for an appeal hearing shall be deemed to be abandoned, the original citation shall be upheld without change, and the citation's fines ordered to be paid

pursuant to this rule, with the payment date reset based upon the date of the order.

J. Recovery of Administrative Citation Fines and Costs.

The State Licensing Authority may collect any past due administrative citation fine or late payment charge by use of all available legal means. The State Licensing Authority also may recover its collection costs as provided by law.

K. Administrative Citations - Notices.

1. Whenever a notice is required to be given under this rule, unless different provisions herein are otherwise specifically made, such notice may be given either by personal delivery thereof to the person to be notified or by deposit in the United States Mail, in a sealed envelope postage prepaid, addressed to such person to be notified at his last-known business or residence address as the same appears in the records of the State Licensing Authority. Service by mail shall be deemed to have been completed at the time of deposit in the post office.
2. Failure to receive any notice specified in this regulation does not affect the validity of proceedings conducted hereunder.

CHAPTER 20

--- RESERVED ---